

The Director of Central Intelligence

Washington, D. C. 20505

12 June 1986

MEMORANDUM FOR: C,  /DO

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FROM: DCI

SUBJECT: Attached Memo from
Phil Habib

Attached is for your information.
Please return.

William J. Casey

Attachment a/s

DEPARTMENT OF STATE

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MESSAGE NO. **008506**CLASSIFICATION SECRET/SENSITIVENo. Pages 4FROM John Hamilton

ARA/CEN

647-3381

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(Officer name)

(Office symbol)

(Extension)

(Room number)

MESSAGE DESCRIPTION Information memo from Amb. Habib on Contadpra

TO: (Agency)

DELIVER TO:

Extension

Room No.

STAT

CIA

Mr. Casey

FOR:

CLEARANCE ☐INFORMATION ☒PER REQUEST ☒COMMENT ☐

REMARKS:

URGENT - Deliver
immediately.S/S Officer: 



United States Department of State

Washington, D. C. 20520

INFORMATION MEMORANDUM

SECRET

S/S

TO: The Secretary

FROM: ECA - Philip C. Habib *PH*

SUBJECT: Contadora: Visit to Costa Rica, El Salvador, and Guatemala

After meeting with President Azcona here last week, I visited the region May 31-June 3 to consult with Presidents Arias, Duarte, and Cerezo. The following is my brief assessment of the state of play, near-term outlook, and views on policy directions we should encourage.

It is now clear that there will be no Contadora agreement signed June 6, even though there may be a Contadora meeting at that time. Nor is there much chance of any agreement in the near-term. The differences between the democracies and Nicaragua on both security and political issues are too fundamental to be bridged and the Central American democracies will not acquiesce in a cosmetic agreement.

Unity among the democracies, while not absolute, is strong. It is strengthening their hand both vis-a-vis Nicaragua and in relations with Contadora. We should encourage it in every way possible. The democracies are all aware that, with Contadora entering a period of doldrums, Nicaragua is likely to revert again to bilateralism. None has the slightest interest in such bilateral approaches. Cerezo, whose "neutrality" makes him the most susceptible to Sandinista blandishments, assured me that he would not fall prey.

At Esquipulas the Central Americans took the first steps toward wresting their diplomatic affairs from the Contadora mediators. The Contadora countries have been relatively passive in the face of this development. They may even welcome it. It is problematic whether they will regain their former energy and dominance of the process, although we should not preclude that, especially as we push ahead again on contra funding. The Central American presidents expect Contadora will continue at the level of plenipotentiaries, for at least

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several weeks or months. But none expect new deadlines, last-minute proposals or other forms of intense pressure right away. All are beginning to look beyond Contadora, as should we.

As a result of the strong lead of Arias at Esquipulas, the democracies are now saying openly that the Acta's political language does not represent a real consensus. The democracies are not yet agreed on how to pursue democratization, and it does not appear that they will take any action in this regard before June 6. But whatever form the negotiating process takes over the next few months, we can expect the democracies to make the necessity for internal change in Nicaragua a salient issue. I strongly urged each president to pursue this issue in the treaty drafting process, returning to this theme several times during the course of each conversation. I also scored the need to tie down every detail of verification before signature and not to allow any subject to be left for post-signature negotiation. I found them all firm on this subject.

As we continue to stress democratization, we will have to keep our eye on security negotiations. On the eve of my departure we obtained the "Table of Values" that is the key to the democracies' proposals on arms and troop levels. (The table assigns a number of unit points to the weapons systems and military elements to be limited.) According to DIA/CIA calculations, the values assigned and the ceiling to be established would not require Nicaragua to reduce its current inventory by more than 15-20%. I pointed out this to all the presidents, none of whom are well versed in that level of detail. Cerexo and Quinones of Guatemala were even under the mistaken impression that their own proposal would allow the democracies to build up to the ceiling. In fact, an open-ended freeze prevents this. All agreed that they must re-examine their proposals. None feels that the democracies are locked into the proposals that they have put forward.

As we examine OAS and other options, we should be mindful that if Contadora were to be abandoned, it will be difficult to retain even the commitment in principle to democracy that is Contadora's distinguishing characteristic. Several of the presidents note that Contadora is thoroughly "interventionist" in its insistence on verification of political commitments. It is by no means certain that we could retain that focus in the non-interventionist milieu of the OAS. Contadora presents a number of difficulties and uncertainties. We should not forget, however, that its substantive framework is most advantageous to the democracies. The OAS might prove useful, however, as a sounding board for verification approaches and we should encourage Contadora to develop a system of reports and consultations with the OAS.

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In sum, I believe our diplomatic activities of the last three months have had positive results. Building on efforts already in train, we have managed to keep the attention of the democracies focussed on essentials: comprehensiveness, verification, and simultaneity. We have strengthened their unity and seen them take the first steps toward control of their own future. I believe it is critical that we sustain our economic and military assistance at this juncture. Their economies remain the democracies' weakest element, and by extension, the weakest part of our policy toward the region.

We should now pursue contra funding as an indispensable element of a two-track policy that puts military pressure on the Sandinistas at the service of an active diplomacy. I am convinced that funding is essential to the diplomatic process. With it, we may be able to achieve our political and security objectives. We have little realistic possibility of doing so without it. Nicaraguan intransigence has been a persistent theme of press reporting on Contadora. We should make this argument to the Congress. We should also make Duarte's argument that the contras provide a barrier against Sandinista aggression and support for guerrilla insurgency. Further, we need not accept a delay in use of the funds to allow for diplomatic efforts, considering that the efforts of the past months have resulted in an impasse which we should lay at the feet of the Nicaraguan communists.

Barring unforeseen events, I see no reason for me to return to the region right away. I intend to travel to Europe to consult with the British and French to increase their understanding and support of what we are doing, but have no other travel planned. I would of course be available if you need me.

CC: ARA - Mr. Abrams
CIA - Mr. Casey
NSC - Mr. Burghardt
DOD - Col. Conaway

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